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September 23, 2003

Jeff S. Jordan
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
2003 SEP 23 P 5 33

Re: MUR 5379 (CarePlus Medical Centers, Inc.)

Dear Mr. Jordan:

This letter responds on behalf of CarePlus Medical Centers, Inc. to the complaint filed by Peter Deutsch for Senate in MUR 5379 against "Alex Penelas's Violation of the Federal Election Campaign Act." CarePlus Medical Centers, Inc. ("CarePlus") was named in the Complaint, based on a newspaper article, which characterized contributions by CarePlus employees as having been solicited in an "illegally coercive manner." For the reasons described below, the Commission should determine that no action should be taken against CarePlus because neither it nor any of its employees violated any laws or regulations due to some of its employees' support of Mayor Alex Penelas's candidacy for the U.S. Senate.

The Complaint

A two paragraph complaint was filed by Ryan Hampton, Finance Director of Peter Deutsch for Senate, which alleged that the Penelas campaign allegedly violated 2 U.S.C. § 441a(f) because it "knowingly accepted contributions made by employees and vendors of CarePlus Medical Centers Inc. ('CarePlus'), which were solicited in an illegally coercive manner."

The complaint relies on four documents to make this assertion: (1) a March 30, 2003 Miami Herald article; (2) a memorandum from its counsel analyzing the Miami Herald article's depiction of an email from Bert Valdes, Vice President, CAC CarePlus Medical Centers; (3) a Contribution Summary Report; and (4) an alleged copy of Mr. Valdes's email. As explained in more detail below and in the attached statements, the Commission should consider the following facts. First, the attached Miami Herald article is based on the faulty premise that Mr. "Valdes sent an e-mail to all 'physicians and executive level staff.'" In fact,

Mr. Valdes's email was sent to only one executive. Second, the legal opinion issued by Rep. Deutsch's attorneys is based on this article, and more specifically the faulty premise that it was directed to "all physicians, large vendors, and executive level staff." (Emphasis added by Deutsch's attorneys.) Even assuming that faulty premise, however, the attorneys were "unable to definitively conclude that the Valdes e-mail violates the ban on coercive activity given the lack of clear, definitive legal authority interpreting the term." Finally, the email attached to the complaint and purported by Mr. Hampton to be a "copy of the original email text" is not a copy of the original email. The most obvious omission is that an unaltered email would contain the "To," "From," "Date," and "Subject" fields.

The complaint must also be put in the proper context—it is an unvarnished campaign ploy against Mayor Penelas and CarePlus is unfortunately paying a heavy public relations price for a few of its employees' support of Mayor Penelas's candidacy. Rep. Deutsch and Mayor Penelas are two of the five Democrats vying for the U.S. Senate seat currently held by Sen. Bob Graham, who is currently seeking the Democratic presidential nomination. Rep. Deutsch seemingly views Mayor Penelas as his strongest rival, and "has been on the offensive against Penelas since the campaign's beginning." (Associated Press, *Democrat Deutsch Blasts Penelas*, TAMPA BAY ONLINE, August 25, 2003, available at <http://news.tbo.com/news/MGAPYCA0SJD.html>). Rep. Deutsch's highly negative campaign against Mayor Penelas has been characterized by other candidates and the press as "audacious" (Associated Press, *Deutsch Rips Penelas in Gathering of Democratic Senate Candidates*, NAPLES DAILY NEWS, August 25, 2003, available at <http://www.naplesnews.com/03/08/florida/d906885a.htm>); "vicious, personal" (Lesley Clark, *Deutsch Attacks Rival Penelas*, THE MIAMI HERALD, August 25, 2003, available at <http://www.miami.com/mld/miamiherald/news/politics/6610977.htm>); and unfortunate "party bloodletting" (Lesley Clark, *Penelas-Deutsch Conflict Escalates*, THE MIAMI HERALD, August 7, 2003, available at <http://www.miami.com/mld/miamiherald/news/state/6475529.htm>). One part of this negative strategy consists of simple name-calling (e.g., "[P]arty traitor with felonious campaign finance practices." (*Democrat Deutsch Blasts Penelas and Deutsch Rips Penelas*); "He's not a man; he's a wimp." (*Democrat Deutsch Blasts Penelas*); and "pathological liar" (*Deutsch Attacks Rival Penelas*).

Another part of Rep. Deutsch's assault consists of filing an FEC complaint and mentioning it at every possible turn. During speeches and debates, Rep. Deutsch now regularly mentions the complaint and apparently waves a 'waiver' letter around for dramatic effect. In the letter, Rep. Deutsch demands that Mayor Penelas waive his right to confidentiality in the investigation, and with each wave of it, another rhetorical flourish sounds and another paragraph of press about the complaint appears (e.g., *Deutsch Rips Penelas, Penelas-Deutsch Conflict Escalates, Democrat Deutsch Blasts Penelas, Deutsch Attacks Rival Penelas*).¹ Regardless of the motivation of this complaint, CarePlus and its employees will continue to cooperate with the Commission and its staff in this matter.

¹ Articles cited are attached for the Commission's convenience.

Discussion

The facts are explained in detail in the attached statements of Michael Fernandez, Bert Valdes, Yovani Fernandez, Janella Simpson, Ibis Perez, Ingrid Machado, Garry Brice, Tomas I. Munoz, Richard Pagan, Manuel Torres, Heyder Rey, Jose Ramirez, and Julio Armando Document. We will not repeat them here, but will refer to them in highlighting a few points necessary to respond to the Complaint.

I. Bert Valdes Email to Jesus Vidueira

Mr. Valdes volunteered to personally assist Mayor Penelas's candidacy because he is "impressed with Mayor Penelas" based on the Mayor's "leadership and insight on a broad range of issues, including events important to CarePlus and the community." Heriberto Valdes Statement ¶ 4. He therefore "decided to ask people [he] knew if they too would be interested in volunteering." *Id.* ¶ 6. A few of the "people he knew" were administrators of CarePlus's ten medical centers who he associated with regularly. Many of these administrators "voiced their enthusiastic support and volunteered to ask their acquaintances, including some of the employees in their respective centers, for campaign volunteers and contributions." *Id.* ¶ 7. As these individuals discussed their mutual admiration of Mayor Penelas and their desire to assist him, one administrator, Jesus Vidueira, asked for "written talking points" so he and the other interested administrators did not forget some of the specific topics that they had discussed that evening. *Id.* ¶¶ 8-9.

"Around midnight on Sunday, March 23, [Mr. Valdes] drafted an email from [his] home computer and sent it to Mr. Vidueira so he would have it the next morning." *Id.* ¶ 10. Thus, contrary to the Miami Herald article and Deutsch attorneys' starting premise, Mr. Valdes sent one email from his home computer to one executive administrator. He did not save the email and has been unable to locate it, but believes that the email provided to the Commission "has been altered." *Id.* ¶¶ 12, 22. In addition, Mr. Valdes "had not discussed, much less cleared, this email with Mr. Fernandez, but [] knew that he was a strong supporter of Mayor Penelas, was planning on hosting a fundraiser, and would appreciate others who also supported Mayor Penelas." *Id.* ¶ 14.

In short, the email was not intended to put pressure on anyone to contribute.² Rather, it was sent to a single administrator in response to that administrator's request. Likewise, Mr. Valdes was not asked to send the email by any of his superiors nor did any of his superiors otherwise pressure him to encourage support for the Penelas campaign.

² The Miami Herald article and Deutsch's attorneys make a great deal of the email's purported "expected to donate" language. It is clear, however, that the word "expected" was not intended or understood as a requirement, but rather "that individuals with sufficient means—such as those groups listed above—would be the most likely to be able to contribute." Valdes Statement ¶ 13.

II. Michael Fernandez's May 8, 2003 Fundraiser

Michael Fernandez has lived in Miami, Florida for the past 28 years. Michael Fernandez Statement ¶ 3. He has been active in various charitable and community projects, including opportunities to work closely with Mayor Alex Penelas. *Id.* ¶¶ 3-4; *see also* Valdes Statement ¶¶ 3-5. Mr. Fernandez was eager to support an individual who he believed had done a great deal of good for his home town of Miami and who was now looking to serve in the United State Senate. Fernandez Statement ¶¶ 4-5. Accordingly, "[i]n the latter weeks of March, [he] began planning a fundraiser to be held in early April." *Id.* ¶ 7.

Like most of Miami, he first learned of Mr. Valdes's email from Miami Herald reporter Jim DeFede. *Id.* Mr. Fernandez "did not know Bert had sent an email about Mayor Penelas and obviously had not had an opportunity to comment on or edit the email described in Mr. DeFede's March 30, 2003 Miami Herald article." *Id.*

"In light of the email and the resulting article," Mr. Fernandez postponed his "fundraiser for Mayor Penelas until May." *Id.* ¶ 9. He then took steps to confirm—both via email and personal discussions—that everyone understood that (1) the Valdes email was unauthorized and should be disregarded; (2) political contributions are always voluntary; and (3) he personally supported Mayor Penelas and would be holding a fundraiser for him at a later date. *Id.* ¶¶ 9-11. He next wanted to take this opportunity to "ensure that [he] and [his] executives understood federal campaign finance laws and to address any concerns that may have arisen because of the DeFede article." *Id.* ¶ 12. Mr. Fernandez accordingly hired election law attorneys "to brief [CarePlus] executives, provide handouts, and review and approve invitations and procedures for [his] May fundraiser and any future fundraising activity." *Id.*

As part of CarePlus's efforts to ensure that all money raised at the May 8 fundraiser was not tainted by the allegations of the Miami Herald article, Mr. Fernandez "'directed that any contributions received as a result of that email be returned.'" *Id.* ¶ 10 (quoting Michael Fernandez email to gblmedicalcenteradministrators@careplusmc.com, dated April 1, 2003). As a follow-up step, CarePlus recently consulted with the Penelas campaign to determine whether, despite its proactive efforts in early April 2003, any contributions had been made as a result of the Valdes email. CarePlus learned that 11 individuals had submitted checks dated between the dates of April 2 to April 7, 2003. These 11 contributions totaled \$2,100. All of the other contributions—approximately \$75,000 worth—associated with Mr. Fernandez's May 8 fundraiser were dated after April 24 (three in April and the rest in early May). According to Alex Penelas U.S. Senate Campaign's July 15, 2003 Quarterly FEC report, the Penelas campaign reported all of the contributions (including the 11 from early April) to have been processed after May 8, 2003 (primarily, if not exclusively, on May 16, 2003).

CarePlus has interviewed each of these 11 individuals to determine whether any of these contributions were the result, whether directly or indirectly, of the Valdes email. They are not. The pertinent facts are simple and straight-forward for each of these 11 individuals.

Not one of these individuals ever received the Valdes email or any written solicitation from another CarePlus employee. Yovani Fernandez Statement ¶ 4; Janella Simpson Statement ¶ 4; Ibis Perez Statement ¶ 4; Ingrid Machado Statement ¶ 4; Garry Brice Statement ¶ 4; Tomas Munoz Statement ¶ 4; Richard Pagan Statement ¶ 4; Manuel Torres Statement ¶ 4; Heyder Rey Statement ¶ 4; Jose Ramirez Statement ¶ 4; Julio Document Statement ¶ 4. Instead, each of these individuals initially made out a check in early April in anticipation of Michael Fernandez's fundraiser, which did not occur until May 8, 2003. Yovani Fernandez Statement ¶ 2; Janella Simpson Statement ¶ 2; Ibis Perez Statement ¶ 2; Ingrid Machado Statement ¶ 2; Garry Brice Statement ¶ 2; Tomas Munoz Statement ¶ 2; Richard Pagan Statement ¶ 2; Manuel Torres Statement ¶ 2; Heyder Rey Statement ¶ 2; Jose Ramirez Statement ¶ 2; Julio Document Statement ¶ 2. Instead of ripping up the check and writing another one closer to the date of the actual fundraiser, these individuals held on to the check until May of 2003. Yovani Fernandez Statement ¶ 3; Janella Simpson Statement ¶ 3; Ibis Perez Statement ¶ 3; Ingrid Machado Statement ¶ 3; Garry Brice Statement ¶ 3; Tomas Munoz Statement ¶ 3; Richard Pagan Statement ¶ 3; Manuel Torres Statement ¶ 3; Heyder Rey Statement ¶ 3; Jose Ramirez Statement ¶ 3; Julio Document Statement ¶ 3. In addition, all confirmed that they "made the contribution voluntarily" because they "support[ed] Mayor Penelas's candidacy for the United States Senate." Yovani Fernandez Statement ¶ 2; Janella Simpson Statement ¶ 2; Ibis Perez Statement ¶ 2; Ingrid Machado Statement ¶ 2; Garry Brice Statement ¶ 2; Tomas Munoz Statement ¶ 2; Richard Pagan Statement ¶ 2; Manuel Torres Statement ¶ 2; Heyder Rey Statement ¶ 2; Jose Ramirez Statement ¶ 2; Julio Document Statement ¶ 2.

III. Lack of Clear, Definitive Legal Authority

The facts demonstrate that CarePlus executives did not use coercive practices in soliciting contributions for Mayor Penelas's candidacy. As described above, Deutsch's attorneys were working off false and misleading facts derived from the Miami Herald article. They noted, however, that even if that article was accurate, they were "*unable to definitively conclude that the Valdes e-mail violates the ban on coercive activity given the lack of clear, definitive legal authority interpreting the term.*" (Emphasis added.) Indeed, they had to look to the FECA prohibition against a "corporation . . . using coercive practices in soliciting contributions on behalf of its separate segregated funds" for any guidance. See 2 U.S.C. § 441(b)(3)(A). They also cited *United States v. Mutual Bank*, No. 85-00086 (D. Mass. March 29, 1985) and MUR 1998, which involved a solicitation that failed "to inform employees of Mutual Bank of their right to refuse to contribute to a solicitation without fear of reprisal" that was sent to "All Officers of Mutual Bank" to contribute to Massachusetts Thrift PAC and Thrift PAC. MUR 1998, General Counsel's Report at 1 and Attachment I at ¶ 8, August 29, 1985. Clearly, the authorities and facts relied upon by the Deutsch attorneys are inapposite in this case, particularly now that the facts have established that no employee was coerced to attend the fundraiser, contribute to Mayor Penelas's candidacy, or otherwise engage in political activity.

Conclusion

As described above, all contributions given to the Alex Penelas U.S. Senate Campaign were given voluntarily and were not coerced by CarePlus executives. Accordingly, we respectfully request that the Commission take no further action on this matter against CarePlus. If you have any questions, or we can be of any assistance, please do not hesitate to call us at the above number.

Sincerely,



Kirk L. Jowers
Counsel to CarePlus Medical Centers, Inc.

Enclosures

**STATEMENT OF
HERIBERTO VALDES**

1. My name is Bert Valdes. I am providing this statement in response to the complaint filed in MUR 5379.
2. I currently serve as Vice President of CAC CarePlus Medical Centers ("CarePlus"). I have worked in this capacity for the past year.
3. During the early weeks of March 2003, Michael Fernandez, President and Chief Executive Officer of CarePlus, mentioned to me in the course of a general conversation that he understood that Miami-Dade County Mayor Alex Penelas would enter the race for the U.S. Senate, and, in that case, he would like to support him. Mr. Fernandez has known Mayor Penelas for quite some time and believes that he has been a very effective mayor and a force for good for Miami.
4. I too am impressed with Mayor Penelas. He has shown leadership and insight on a broad range of issues, including events important to CarePlus and the community. For example, when United Healthcare closed the CAC centers, many seniors were uncertain and fearful about whom would provide for their healthcare needs, and many of our current employees (temporarily) lost their jobs. Mayor Penelas worked diligently to find a solution. Today, through Mayor Penelas's and Mr. Fernandez's leadership and efforts, the CAC centers are open and successfully serving the healthcare needs of our community and providing jobs to its citizens.
5. Mr. Fernandez and Mayor Penelas are also working together to find and provide alternative healthcare solutions to the uninsured indigent population in our community so that the heavy burden of their care, which now falls squarely on Jackson Memorial Health systems, can be reduced.
6. Because of my favorable impression of Mayor Penelas, I was interested in personally assisting his U.S. Senate campaign. I decided to ask people I knew if they too would be interested in volunteering, if and when Mayor Penelas declared his candidacy.
7. In a subsequent meeting with the administrators from our ten medical centers, I asked whether any of them would be interested in supporting Mayor Penelas's candidacy. Many of the center administrators voiced their enthusiastic support and volunteered to ask their acquaintances, including some of the employees in their respective centers, for campaign volunteers and contributions.

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8. Near the end of the meeting, one administrator, Jesus Vidueira—formerly Administrator of Westland Center and currently Executive Director of a CarePlus affiliated company PrescribIT Rx—asked me to provide him with some written talking points about Mayor Penelas that he could use when soliciting people.

9. We had discussed many things that night, including why Penelas had been an excellent mayor and would make a great Senator. The administrators worried that they might forget some key specific points without the email, so I promised to put something together and email it to Mr. Vidueira. I confirmed that he was free to send it to any other interested administrators.

10. Around midnight on Sunday, March 23, I drafted an email from my home computer and sent it to Mr. Vidueira so he would have it the next morning.

11. To be clear — I sent one email to one individual administrator, at his request. I understand that he forwarded the email, or some version of it, to four other administrators. I do not know whether these four administrators forwarded it or some version of it to anyone else. I did not instruct anyone to forward the email and did not anticipate it being any sort of general solicitation.

12. I have been unable to locate my original email, but have reviewed the document attached to the Complaint that Ryan Hampton, Finance Director for Peter Deutsch for Senate ("Hampton email") purports to be "a copy of the original email text," which I believe differs from my original email. I believe the version of the email submitted to the Commission has been altered since I sent it.

13. I remember making the following points in my email to Mr. Vidueira. First, I encouraged him to approach physicians, large vendors, and executive level staff. The language in the Hampton email states that these individuals will be "expected to donate." My point was that he could discuss this opportunity to help Mayor Penelas with whomever he pleased, but that individuals with sufficient means—such as those groups listed above—would be the most likely to be able to contribute. There was no "expectation" that these persons would contribute in the sense of a requirement.

14. Second, I noted that Mr. Fernandez needed their help. I had not discussed, much less cleared, this email with Mr. Fernandez, but I knew that he was a strong supporter of Mayor Penelas, was planning on hosting a fundraiser, and would appreciate others who also supported Mayor Penelas. I also knew that many of our contacts would have a high regard for Mr. Fernandez and therefore would be more likely to make a contribution if they understood that he personally was committed to assisting Mayor Penelas.

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15. Third, I asked them to contribute \$1,000 and noted that the maximum campaign contribution was \$2,000. I also noted that they should keep track of all individuals who contributed so that Mr. Fernandez could thank them personally for their support. I did not ask that non-contributors be tracked.

16. Finally, I listed Ed Rubio as the contact person—because he also supported Mayor Penelas and was willing to join the effort of soliciting contributions and looking for Penelas supporters.

17. Ultimately, a version of my email was evidently passed on to a Miami Herald newspaper reporter, Jim DeFede. My first contact with Mr. DeFede came a few days after I had sent the email. I was traveling when I received a call from the corporate office informing me that a reporter wanted to talk me. Mr. DeFede was transferred through to me and in a very pleasant voice said that he was writing an article about Mayor Penelas and was curious how "our drive" was going.

18. I told him I was not sure what "drive" he was referring to and he replied that he had a copy of a letter that I had sent to "all" of the company's employees. I corrected him on two counts. First, I told him that I communicate with employees via email. Second, I noted that I had not sent out an email to all employees, but rather I had sent a single email to one senior executive administrator.

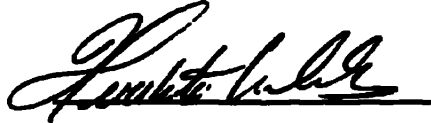
19. Mr. DeFede's tone changed immediately as he began firing off questions, insinuating that I had tried to coerce all of the employees to contribute. I told him that he could not be further from the truth because everyone in the company knew that any requests for contributions by other employees were strictly voluntary and done on a personal basis. I also reiterated that most employees probably had no idea that I was trying to raise money for Mayor Penelas.

20. On March 30, 2003, Mr. DeFede's article was published in the Miami Herald. This article apparently formed the basis for the FEC complaint filed by Peter Deutsch for Senate against the Penelas campaign.

21. The article was factually incorrect and horribly misleading, as explained above. To reemphasize, the article states that "Valdes sent an e-mail to all 'physicians and executive level staff.'" False. I sent the email to one senior executive administrator, at his request. I did not apply pressure for him, or anyone else, to contribute.

22. I am not an active participant in the federal political process. I regret having sent an email that caused concern and misunderstanding, but also believe that the Hampton email sent to the Commission differs from my own. Regardless, however, I believe that Mayor Penelas would make a great U.S.

Senator and in my own personal capacity, I was pleased to contribute to his campaign in connection with Mr. Fernandez's May 8, 2003 fundraiser.

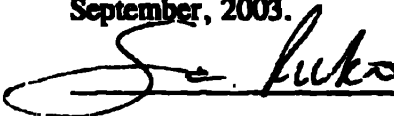


Signed

9/18/03

Dated

Sworn and subscribed to
before me this 12 day of
September, 2003.



Notary Public



Sira Rubio
Commission # 00 878164
Expires Oct. 10, 2003
Bonded Thru
Atlantic Bonding Co., Inc

My Commission expires: _____

Statement of Michael B. Fernandez

1. My name is Michael Fernandez. I am providing this statement in response to the complaint filed by Peter Deutsch for Senate in MUR 5379 against Mayor Alex Penelas.
2. I am Chairman and Chief Executive Officer of CAC - CarePlus Health Plans, Inc. ("CarePlus"). I also am the Chairman & CEO of CPHP Holdings, Inc. and Chairman of Healthcare Atlantic Corporation. I have been a healthcare executive for the better part of the past three decades.
3. I have lived in Miami since 1975. It is my home. It is where I raise my family, make my living, and participate in community events. To try and give back to the Miami people and otherwise work to improve this community I have created the Fernandez Family Foundation, Inc., serve on the Board of Directors for the United Way of Miami-Dade County, Florida, and have served on the Board of Directors of the Miami Children's Hospital Foundation. I also have served and contributed to other local charities, government task forces, and political candidates.
4. One government official in particular has stood out as an outstanding supporter of the Miami community, Mayor Alex Penelas. I have observed and worked with Mayor Penelas in a number of capacities. I believe he is someone who truly wants to serve the people of Florida and is extremely effective at doing just that. When I learned that he was considering a campaign to become Florida's next U.S. Senator, I was thrilled. I felt it was a logical step for him and fantastic opportunity for us to be represented by him in our nation's capitol.
5. In early March of 2002—upon learning that Mayor Penelas planned to announce in the next few weeks once Florida's sitting senator, Sen. Bob Graham, announced his candidacy for president—I spoke to a few of my close friends and colleagues about my desire to volunteer for Mayor Penelas and raise money for him. Among others, I spoke with Bert Valdes, Vice President of CAC CarePlus Medical Centers.
6. Bert shared my enthusiasm for the Mayor and believed others in the CarePlus family might also want to support Mayor Penelas's bid for the U.S.

Senate. In our personal capacities, we both began to look for willing volunteers and contributors for Mayor Penelas.

7. In the latter weeks of March, I began planning a fundraiser to be held in early April. The next time I heard of Bert's efforts was when a Miami Herald reporter Jim DeFede called me seeking comments on an email allegedly sent by Bert. I knew that Bert was going to contact people on Mayor Penelas's behalf, but I did not know how he planned to do it. More specifically, I did not know Bert had sent an email about Mayor Penelas and obviously had not had an opportunity to comment on or edit the email described in Mr. DeFede's March 30, 2003 Miami Herald article.

8. Shortly after reading the article, I spoke with Bert. He was confused and angered over the inaccuracies and mischaracterizations contained in the article. He also told me that he had only sent his email to one administrator at the company, although he acknowledged that he had no way of knowing how many others had been forwarded the email. Bert explained that he had discussed the Penelas candidacy with this administrator and had promised to follow-up with more information—hence the email.

9. In light of the email and the resulting article, I decided that we should postpone my fundraiser for Mayor Penelas until May. I also drafted and sent an email from my personal email account to the administrator's peers. These fellow administrators—according to Bert—had been part of a discussion about supporting Mayor Penelas. See Attachment A.

10. I wanted to ensure that Bert's email was not interpreted by company employees in the same manner as it had been in Jim DeFede's article and make a clear break from that email. Accordingly, in my email I stated that I did not authorize Bert's email and that they should "disregard it in its entirety." I also "directed that any contributions received as a result of that email be returned." I then confirmed that I was, "on a purely personal basis," supporting Mayor Penelas's U.S. Senate campaign and that whether others also wanted to support him "is purely a personal decision for each individual to make." I then instructed that they "may refuse to contribute without reprisal and contributions to Penelas for Senate or any other candidate committee are strictly voluntary."

11. I also went back to people with whom I had spoken about the April Penelas fundraiser and told those who were interested not to send in any checks to the campaign at that time, but rather to wait until the May fundraiser.

12. My final step was to ensure that I and my executives understood federal campaign finance laws and to address any concerns that may have arisen because of the DeFede article. On March 31, 2003, I therefore retained a law firm to brief our executives, provide handouts, and review and approve invitations and procedures for my May fundraiser and any future fundraising activity.

13. In conclusion, I can categorically state that I have never coerced any employee to attend a fundraiser, make a political contribution, or otherwise engage in political activity. Likewise, I have never subjected any employee to reprisal for their decision not to contribute or engage in political activity. I run my companies with a belief and understanding that making political contributions and supporting or opposing candidates are personal matters.

Signed

Dated

9/18/03

Sworn and subscribed
to before me this 18th
day of September, 2003.

Elizabeth Ricard
Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC93544 EXPIRES
March 2, 2005
BOMBED TRUSTIFY FARM INSURANCE, INC.

28044210285

Subj: (no subject)
Date: 4/1/2003 4:34:18 PM Eastern Standard Time
From: [REDACTED]
To: [REDACTED]

I understand that while I was out of town last week an email was sent requesting contributions to Mayor Penelas' expected campaign for the U.S. Senate. I did not authorize that email, accordingly please disregard it in its entirety. I have directed that any contributions received as a result of that email be returned.

As many of you know, on a purely personal basis, I do support Alex Penelas as mayor of Miami and hope that he will become our next United States Senator. I have told Bert Valdes, Jose Perez, and others that I hope to volunteer and raise contributions for the Penelas for Senate Campaign and that I intend to hold a fundraiser for Mayor Penelas at some point. Anyone interested may contribute at that time, but that is purely a personal decision for each individual to make. You may refuse to contribute without reprisal and contributions to Penelas for Senate or any other candidate committee are strictly voluntary.

I appreciate our working relationship and apologize for any inconvenience.

Sincerely,

Mike Fernandez

28044210286

Statement of Richard Pagan

1. My name is Richard Pagan. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.
2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 5, 2003 in anticipation of a fundraiser being held by Michael B. Fernandez because I wanted to support Mayor Penelas. I made the contribution voluntarily.
3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.
4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.

R Pagan
Signed

9/18/03
Dated

Sworn and subscribed
to before me this 18
day of September, 2003.

Elizabeth Ricard
Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC993564 EXPIRES
March 2, 2005
BONDED THRU TROY FARM INSURANCE, INC.

28044210287

DECLARACION DE IBIS PEREZ

1. Me llamo Ibis Pérez. Soy Asesora de Beneficios para CarePlus Plans Inc. Doy esta declaración para responder a MUR 5379 y al artículo del Miami Herald del 30 de marzo de 2003 escrito por Jim DeFede.
2. Yo apoyo la candidatura del Alcalde Penelas para el Senado de los Estados Unidos. Por esta razón el 3 de abril de 2003, escribí un cheque de \$200 a favor de "Alex Penelas para el Senado" en anticipación a la recaudación de fondos auspiciada por Michael B. Fernández. Yo contribuí voluntariamente.
3. El Sr. Fernández no auspició la recaudación de fondos hasta el 8 de mayo de 2003. Me quedé con el cheque y no lo entregué a "Alex Penelas para el Senado" hasta mayo de 2003.
4. El artículo del Miami Herald describe un correo electrónico enviado por Bert Valdés. No recibí ese correo electrónico y mi contribución no tiene ninguna relación a ese correo electrónico. De hecho, no tengo una dirección de correo electrónico por medio de CarePlus. Así, nunca recibí ninguna información del Sr. Valdés ni de ningún otro empleado de CarePlus relacionada con "Alex Penelas para el Senado."

Firmado

Fechado

Jurado y suscrito

ante mí el 18th

día de Septiembre de 2003

Elizabeth Ricard

Notario Público

Mi Comisión expira:

3/2/05



Elizabeth Ricard
MY COMMISSION # CC973844 EXPIRES
March 2, 2005
BONDED THROUGH FARM INSURANCE, INC.

[English Translation]

Statement of Ibis Perez

1. My name is Ibis Perez. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.
2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 3, 2003 in anticipation of a fundraiser to be held by Michael B. Fernandez. I made the contribution voluntarily.
3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.
4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.

Signed

Dated

Sworn and subscribed
to before me this 18th
day of September, 2003.

Elizabeth Ricard
Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC79364 EXPIRES
March 2, 2005
BONDED THRU TROY FAIR INSURANCE, INC.

Statement of Heyder Rey

1. My name is Heyder Rey. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.

2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 7, 2003 in anticipation of a fundraiser being held by Michael B. Fernandez because I wanted to support Mayor Penelas. I made the contribution voluntarily.

3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.

4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.

Signed

Dated

Sworn and subscribed
to before me this 18th
day of September, 2003.

Elizabeth Ricard
Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC93564 EXPIRES
March 2, 2005
BONDED WITH TROY FARM INSURANCE, INC.

28044210290

Statement of Yovani Fernandez

1. My name is Yovani Fernandez. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.
2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 2, 2003 in anticipation of a fundraiser being held by Michael B. Fernandez because I wanted to support Mayor Penelas. I made the contribution voluntarily.
3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.
4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.


Signed

9/18/03
Dated

Sworn and subscribed
to before me this 13th
day of September, 2003.


Notary Public

My Commission expires: 3/2/05




Elizabeth Ricard
MY COMMISSION # CC93564 EXPIRES
March 2, 2005
BONDED THIRD PARTY INSURANCE, INC.

28044210291

Statement of Jose M. Ramirez

1. My name is Jose Ramirez. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.
2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$100 personal check to "Alex Penelas for Senate" on April 7, 2003 in anticipation of a fundraiser being held by Michael B. Fernandez because I wanted to support Mayor Penelas. I made the contribution voluntarily.
3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.
4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.


Signed


Dated

Sworn and subscribed
to before me this 18th
day of September, 2003.


Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # C007664 EXPIRES
March 2, 2005
BONDED THROUGH FARM INSURANCE, INC.

Statement of Garry Brice

1. My name is Garry Brice. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.
2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 4, 2003 in anticipation of a fundraiser being held by Michael B. Fernandez because I wanted to support Mayor Penelas. I made the contribution voluntarily.
3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.
4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.

Signed

Dated

Sworn and subscribed
to before me this 19th
day of September, 2003.

Elizabeth Ricard
Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC93844 EXPIRES
March 2, 2005
BONDED TRISTEY FARM INSURANCE, INC.

28044210293

DECLARACION DE INGRID MACHADO

1. Me llamo Ingrid Machado. Soy Asesora de Beneficios para CarePlus Plans Inc. Doy esta declaración para responder a MUR 5379 y al artículo del Miami Herald del 30 de marzo de 2003 escrito por Jim DeFede.
2. Yo apoyo la candidatura del Alcalde Penelas para el Senado de los Estados Unidos. Por esta razón el 4 de abril de 2003, escribí un cheque de \$200 a favor de "Alex Penelas para el Senado" en anticipación a la recaudación de fondos auspiciada por Michael B. Fernández. Yo contribuí voluntariamente.
3. El Sr. Fernández no auspició la recaudación de fondos hasta el 8 de mayo de 2003. Me quedé con el cheque y no lo entregué a "Alex Penelas para el Senado" hasta mayo de 2003.
4. El artículo del Miami Herald describe un correo electrónico enviado por Bert Valdés. No recibí ese correo electrónico y mi contribución no tiene ninguna relación a ese correo electrónico. De hecho, no tengo una dirección de correo electrónico por medio de CarePlus. Así, nunca recibí ninguna información del Sr. Valdés ni de ningún otro empleado de CarePlus relacionada con "Alex Penelas para el Senado."

Firmado

Fechado

Jurado y suscrito
ante mí el 18
día de Septiembre de 2003

Elizabeth Ricard
Notario Público

Mi Comisión expira: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC973544 EXPIRES
March 2, 2005
BONDED WITH NEW YORK FARM INSURANCE, INC.

[English Translation]

STATEMENT OF INGRID MACHADO

1. My name is Ingrid Machado. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.

2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 4, 2003 in anticipation of a fundraiser to be held by Michael B. Fernandez. I made the contribution voluntarily.

3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.

4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.


Signed



Dated

9/10/03

Sworn and subscribed
to before me this 10th
day of September, 2003.


Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC095544 EXPIRES
March 2, 2005
BOMBED TRAIL TROY PAWN INSURANCE, INC.

Statement of Janella Simpson

1. My name is Janella Simpson. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.
2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 2, 2003 in anticipation of a fundraiser being held by Michael B. Fernandez because I wanted to support Mayor Penelas. I made the contribution voluntarily.
3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.
4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.

Janella Simpson
Signed

9/18/03
Dated

Sworn and subscribed
to before me this 18th
day of September, 2003.

Elizabeth Ricard
Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC379364 EXPIRES
March 2, 2005
BONDED TRISTAR TRUST INSURANCE, INC.

DECLARACION DE
JULIO ARMANDO DOCUMENT

1. Me llamo Julio Armando Document. Soy Asesora de Beneficios para CarePlus Plans Inc. Doy esta declaración para responder a MUR 5379 y al artículo del Miami Herald del 30 de marzo de 2003 escrito por Jim DeFede.
2. Yo apoyo la candidatura del Alcalde Penelas para el Senado de los Estados Unidos. Por esta razón el 7 de abril de 2003, escribí un cheque de \$200 a favor de "Alex Penelas para el Senado" en anticipación a la recaudación de fondos auspiciada por Michael B. Fernández. Yo contribuí voluntariamente.
3. El Sr. Fernández no auspició la recaudación de fondos hasta el 8 de mayo de 2003. Me quedé con el cheque y no lo entregué a "Alex Penelas para el Senado" hasta mayo de 2003.
4. El artículo del Miami Herald describe un correo electrónico enviado for Bert Valdés. No recibí ese correo electrónico y mi contribución no tiene ninguna relación a ese correo electrónico. De hecho, no tengo una dirección de correo electrónico por medio de CarePlus. Así, nunca recibí ninguna información del Sr. Valdés ni de ningún otro empleado de CarePlus relacionada con "Alex Penelas para el Senado."

Firmado

09-18-03
Fechado

Jurado y suscrito
ante mí el 18^{to}
día de Septiembre de 2003

Elizabeth Ricard
Notario Público

Mi Comisión expira: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC373544 EXPIRES
March 2, 2005
SOCIETY TRUST FARM INSURANCE, INC.

[English Translation]

STATEMENT OF
JULIO ARMANDO DOCUMENT

1. My name is Julio Armando Document. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.

2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 7, 2003 in anticipation of a fundraiser to be held by Michael B. Fernandez. I made the contribution voluntarily.

3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.

4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.

Signed 

Dated 09-18-03

Sworn and subscribed
to before me this 18th
day of September, 2003.


Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # 0092644 EXPIRES
March 2, 2005
BONDED WITH TRICOR FARM INSURANCE, INC.

DECLARACION DE TOMAS MUNOZ

1. Me llamo Tomas Munoz. Soy Asesora de Beneficios para CarePlus Plans Inc. Doy esta declaración para responder a MUR 5379 y al artículo del Miami Herald del 30 de marzo de 2003 escrito por Jim DeFede.
2. Yo apoyo la candidatura del Alcalde Penelas para el Senado de los Estados Unidos. Por esta razón el 5 de abril de 2003, escribí un cheque de \$200 a favor de "Alex Penelas para el Senado" en anticipación a la recaudación de fondos auspiciada por Michael B. Fernández. Yo contribuí voluntariamente.
3. El Sr. Fernández no auspició la recaudación de fondos hasta el 8 de mayo de 2003. Me quedé con el cheque y no lo entregué a "Alex Penelas para el Senado" hasta mayo de 2003.
4. El artículo del Miami Herald describe un correo electrónico enviado por Bert Valdés. No recibí ese correo electrónico y mi contribución no tiene ninguna relación a ese correo electrónico. De hecho, no tengo una dirección de correo electrónico por medio de CarePlus. Así, nunca recibí ninguna información del Sr. Valdés ni de ningún otro empleado de CarePlus relacionada con "Alex Penelas para el Senado."



Firmado

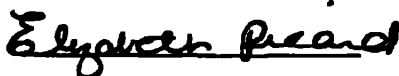
09-18-03.

Fechado

Jurado y suscrito

ante mí el 18^m

día de Septiembre de 2003



Notario Público

Mi Comisión expira: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC973544 EXPIRES
March 2, 2005
BONDED THRU TROY FARM INSURANCE, INC.

[English Translation]

STATEMENT OF TOMAS MUNOZ

1. My name is Tomas Munoz. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.
2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 5, 2003 in anticipation of a fundraiser to be held by Michael B. Fernandez. I made the contribution voluntarily.
3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.
4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.

Signed

Dated

Sworn and subscribed
to before me this ____
day of September, 2003.

Notary Public

My Commission expires: _____

28044210300

Statement of Manuel V. Torres

1. My name is Manuel Torres. I am a Benefits Consultant for CarePlus Health Plans Inc. I am providing this statement in response to MUR 5379 and the March 30, 2003 Miami Herald article by Jim DeFede.

2. I support Mayor Penelas's candidacy for the United States Senate. Accordingly, I wrote a \$200 personal check to "Alex Penelas for Senate" on April 7, 2003 in anticipation of a fundraiser being held by Michael B. Fernandez because I wanted to support Mayor Penelas. I made the contribution voluntarily.

3. Mr. Fernandez did not hold his fundraiser until May 8, 2003. I kept my check and did not give it to Alex Penelas for Senate until May of 2003.

4. The Miami Herald article describes an email by Bert Valdes. I did not receive that email and my contribution is completely unrelated to that email. In fact, I do not have a CarePlus email address. Likewise, I never received any material from Mr. Valdes or any other CarePlus employee regarding Alex Penelas for Senate.


Signed

9/23/03
Dated

Sworn and subscribed
to before me this 23rd
day of September, 2003.

Elizabeth Ricard
Notary Public

My Commission expires: 3/2/05



Elizabeth Ricard
MY COMMISSION # CC099844 EXPIRES
March 2, 2005
BONDED THROUGH FARM INSURANCE, INC.



Student Loan Consolidation - If you have \$10,000 or more in student loan debt and have started student loan repayment or are in your grace period, you may qualify for the Federal Student Consolidation Loan. Consolidation can save you up to 54% a month and could possibly lower your interest rate to 1.6%. [Click here for more info](#)

Aug 25, 2003

Democrat Deutsch Blasts Penelas

The Associated Press

LEESBURG - In an attack on a rival he said was necessary if Florida Democrats are to keep a Senate seat in 2004, U.S. Rep. Peter Deutsch used a candidates forum Sunday to blast Miami-Dade Mayor Alex Penelas as a party traitor with felonious campaign finance practices.

Deutsch, speaking at a luncheon sponsored by the Lake County Democratic Executive Committee, said Penelas cost the Democrats the White House in 2000. He also repeated his demand that Penelas should waive his right to confidentiality in a Federal Elections Commission investigation into allegations of illegally coerced donations.

``Primaries are about weeding out candidates with problems," said Deutsch, a six-term congressman who represents southeast Broward and northeast Miami-Dade counties.

Five Democratic nominees are vying for the seat held by Sen. Bob Graham, who has said he is stepping down after three terms as he runs for the White House. There are five Republican candidates.

The primaries will be held in August 2004.

Despite the obvious discomfort shown by many of the 120 attending party activists Sunday, Deutsch declared this was an appropriate forum to wage an attack.

``Alex has been hiding; he refuses to speak," Deutsch said. ``He's not a man; he's a wimp."

Penelas refused to specifically answer the attacks.

The mayor said the Democrats must stand together if they are to win next year.

``While I will seek our party's nomination as a candidate for the United State Senate, I will not tear down my fellow Democrats, nor will I tear down my party in that process," Penelas said.

Deutsch and Penelas were the only candidates at the Claude Pepper Luncheon, held at Silver Lake Golf and Country Club. Declining invitations were U.S. Reps. Allen Boyd and Alcee Hastings. Former state Education Commissioner Betty Castor sent her daughter, Hillsborough County Commissioner Kathy Castor.

Deutsch has been on the offensive against Penelas since the campaign's beginning.

In July, he filed a complaint with the FEC that Penelas received at least \$49,000 in illegal contributions from the 41 employees of CarePlus Medical Centers Inc. of Coral Gables and their spouses. During the speech Sunday, he repeatedly referred to that as ``criminal activity."

Deutsch also reiterated charges that Penelas hurt Democratic presidential candidate Al Gore in 2000.

In the wake of that disputed election, many Democrats were upset with Penelas for his perceived lackluster support of Gore. It was widely thought that Penelas dodged the vice president, as Gore was unpopular in South Florida's Cuban community because of the administration's handling of the Eilan Gonzalez case.

This story can be found at: <http://news.tbo.com/news/MGAPYCA0SJD.html>

- [Go Back To The Story](#)



Posted on Thu, Aug. 07, 2003

Penelas-Deutsch conflict escalates

BY LESLEY CLARK
lclark@herald.com

ORLANDO - The bitter rivalry between Senate hopefuls U.S. Rep. Peter Deutsch and Miami-Dade Mayor Alex Penelas intensified Wednesday, although Penelas was hundreds of miles from here, vacationing -- and raising campaign cash -- out west.

Deutsch, who has accused Penelas of illegally raising money for his U.S. Senate campaign, had hoped to confront Penelas in person, driving from Pembroke Pines to a Democratic candidates forum in downtown Orlando with a car trunk loaded with anti-Penelas poster boards.

Penelas, though, was a no-show, having told organizers weeks ago that he had a scheduling conflict. No representative from Penelas' campaign was on hand either.

A disappointed Deutsch said he would hand-deliver a letter today to Penelas' campaign, urging the candidate to make public a Federal Elections Commission complaint that Deutsch initiated.

Deutsch's complaint is based on contributions to Penelas' campaign from associates and employees of CarePlus Medical Centers, whose owner told employees in March that they were each "expected" to give Penelas \$1,000.

Coerced contributions are against the law, and Penelas' campaign has said the mayor would not accept the contributions.

\$68,000 IN DONATIONS

A Herald analysis of campaign finance data, though, found that Penelas took at least \$68,000 from the company's employees, their relatives and business associates. The campaign has said the donations came not from the e-mail, but from a fundraising reception at the home of the firm's owner's in May.

Deutsch says the campaign broke the law when it accepted the money.

"He acknowledged the activity was illegal. You just can't tear up the checks, write new ones and make it legal," said Deutsch, who has made Penelas the primary target of his campaign, accusing his fellow Democrat of failing to help Al Gore win the presidential vote in Florida in 2000.

In June, Deutsch boycotted the state Democratic Party's annual Jefferson-Jackson dinner in his own district because Penelas was receiving an award.

"It's not that I want the campaign to be about this, but if this guy is taking the money and lying about what he did in the Gore campaign, that's an issue that people need to think about," Deutsch said.

A spokeswoman for Penelas said Deutsch was waging a "slash-and-burn" political strategy to tarnish one of

28044210304

his most potent rivals for the Democratic nomination to replace U.S. Sen. Bob Graham, who is running for president.

"Peter Deutsch continues to demonstrate that he lacks the stature to be Florida's next senator," said Michelle Ubben, a spokeswoman for the Penelas campaign. "Florida voters deserve someone with ideas, a vision and a grasp of the issues, not someone with saliva dripping from his fangs."

Unless Penelas waives his right to confidentiality, details of the Federal Elections Commission investigation will not be made public. Ubben said Penelas will not ask for the details to be released.

"The mayor will be following a process that candidates all over the country follow," Ubben said. "The process that Peter Deutsch triggered is the process that the mayor will be respecting."

"The Deutsch campaign has shown it's not just a long shot, but a cheap shot, and this is more of the same," she added.

Retorted Deutsch: "You're engaging in criminal activity. If that's a cheap shot...."

A CANDIDATE'S PLEA

Other candidates have sought to stop the party bloodletting. Former state Education Commissioner Betty Castor, who along with Deutsch spoke at the Orange County Democratic Party event, pleaded for restraint.

"There's going to be a lot of candidates in the race," Castor told the crowd at the downtown Orlando hotel ballroom. "And one of the most important things is for all of us to treat one another in the primary with great respect." And, Castor said, whether she's the party nominee or not, she will "work as hard as I can to make sure a Democrat is elected to fill Bob Graham's shoes."

Potential candidates U.S. Reps. Alcee Hastings and Allen Boyd sent surrogates to speak for them. Hastings, who returned late Wednesday from an overseas trip with U.S. House Speaker Dennis Hastert, said he is expanding his exploratory committee and will make a decision on running "before the middle of October."

"All of us are mindful that Sen. Graham certainly has all of us on hold," Hastings said of Graham's refusal to absolutely rule out a run for reelection rather than for the presidency. "But at a certain point, you have to be in the position of fishing or cutting bait."

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http://www.miami.com

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Deutsch rips Penelas in gathering of Democratic Senate candidates

Monday, August 25, 2003

Associated Press

LEESBURG — In an audacious attack on a rival that he said was necessary if Florida's Democrats are to keep a Senate seat in 2004, U.S. Rep. Peter Deutsch used a candidates' forum Sunday to blast Miami-Dade Mayor Alex Penelas as a party traitor with felonious campaign finance practices.

Deutsch, speaking to a luncheon sponsored by the Lake County Democratic Executive Committee, said Penelas cost Al Gore the 2000 presidential election by ducking out of an appearance late in the campaign. He also repeated his demand that Penelas should waive his right to confidentiality in a Federal Elections Commission investigation.

Penelas refused to specifically answer Deutsch's attacks, but said the Democrats must remain unified.

Five Democratic nominees are vying for the seat being vacated by Sen. Bob Graham, who is stepping down after three terms to run for the White House. There are another five candidates on the Republican side.

The primaries will be held next August.

Deutsch and Penelas were the only candidates to present at the Claude Pepper Luncheon, held at the Silver Lake Golf and Country Club.

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Herald.com

Posted on Mon, Aug. 25, 2003

Deutsch attacks rival Penelas

Dade mayor called liar, friend to the GOP

BY LESLEY CLARK
lclark@herald.com

LEESBURG - U.S. Rep. Peter Deutsch tore into his U.S. Senate Democratic rival Miami-Dade Mayor Alex Penelas in person Sunday, accusing Penelas before a stunned audience of "single-handedly doing as much as anyone to help George W. Bush become president."

As a stone-faced Penelas sat beside him, staring straight ahead, Deutsch, of Pembroke Pines, looked at the mayor and called him a "pathological liar" for suggesting that he had labored to elect Al Gore during the 2000 presidential race.

Then Deutsch repeated his accusations that Penelas has engaged in "illegal and criminal" fundraising in his bid for Senate.

Deutsch's attacks -- the most vicious, personal ones to date -- came before more than 100 Central Florida Democrats, two months after launching long-distance barbs at Penelas, whom Deutsch views as his most likely rival for the Democratic nomination to replace U.S. Sen. Bob Graham, who is seeking the Democratic presidential nomination.

Deutsch also presented Penelas with a letter asking him to make public a federal investigation into his fundraising.

Deutsch initiated the investigation, but it will not be made public unless Penelas waives confidentiality. His campaign has said he will not waive confidentiality.

Penelas, who followed Deutsch at the lectern, addressed the attacks only indirectly, saying Democrats can best keep Graham's seat by staying united.

"I will not tear down my fellow Democrats, nor will I tear down my party," Penelas said, instead launching into an attack on the president, his remarks warmly applauded.

'SLASH AND BURN'

Penelas' campaign has charged Deutsch with waging a "slash-and-burn" campaign, but, asked by reporters after the face-off, Penelas declined to comment on the attack or the charges.

"I'm going to run a campaign based on the issues," Penelas said. "I respect the congressman tremendously. He has the right to run his campaign as he chooses, and I'm going to run the campaign the way I choose."

With the Democratic primary to replace Graham still more than a year away, an already bitter feud has erupted between the two South Florida Democrats who are competing in a field of five for the party's nomination.

"The campaign for second place is fierce," quipped Jeffrey Garcia, campaign manager for former Education Commissioner Betty Castor of Tampa, who led the field of Democrats in name recognition in a recent poll.

Castor, who has suggested the infighting could damage the party, did not attend the Lake County Democratic Executive Committee's event at a country club but sent her daughter.

STANCE TOWARD GORE

Deutsch and some Democrats have long criticized Penelas for what they said was his lackluster support for Gore during the 2000 election and the protracted recount. Deutsch has leveled the charges for months, but Sunday's encounter marked the first time he had confronted Penelas face to face.

Deutsch, who also charged Penelas with raising money for Republicans, said he's only pointing out weak spots that the Republicans will exploit should Penelas win the nomination.

"We can be nice, but primaries determine whether we're going to win in the general election," Deutsch said as the crowd began to murmur its disapproval of his attack.

But Deutsch wouldn't stop, again accusing Penelas of taking illegal money and declaring: "The Republicans are not going to give him a walk."

But as the bewildered audience turned hostile, with one man shouting, "Sit down!" and at least one woman walking out in protest, it was unclear whether the attack hit its target.

Still, amid boos, Deutsch persisted, his campaign finance manager behind him unveiling a series of anti-Penelas poster boards.

A pained former U.S. Rep. Karen Thurman looked on as event organizers exchanged worried looks.

"I have absolutely no second thoughts about what I've said today, because in the general election, Alex, your Republican friends are not going to be so nice to you," Deutsch said.

FEDERAL INQUIRY

Deutsch's calls for a public airing of the probe into Penelas' fundraising is based on contributions to Penelas' campaign from associates and employees of CarePlus Medical Centers, whose owner told employees in March that they were each "expected" to give Penelas \$1,000.

Such contributions are considered coerced and are illegal, and Penelas' campaign has said the mayor would not accept the contributions.

A Herald analysis of campaign finance data, though, found that Penelas took at least \$68,000 from the company's employees, their relatives and business associates. The campaign has said the donations came not through the e-mail solicitation but from a fundraising reception held at the home of the firm's owner in May.